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May 25, 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

RE: PP Docket No. ~~90-285~~

Dear Chairman Hundt:

The purpose of this letter is to inform the Commission of our position with respect to the broadband Personal Communications System (PCS) license preferences for designated entities. As a minority and women-owned company with significant telecommunications experience, we are committed to forming a minority and woman owned entity to own and operate a PCS network. We have spent the last year monitoring the Commission's PCS rulemaking proceedings and establishing an impressive group of talented minority and women professionals who have technical and operating capability. Now, our ability to attract investment capital on reasonable terms is of critical importance to our success. We have the capacity to operate a totally competitive telecommunications company and we support the Commission's efforts to insure that designated entities control both the economic and operating power of any licensed PCS operation which receives an economic preference from the government.

In this context, given the magnitude of the investment required to participate in the PCS market, we believe it is important for designated entities to have flexibility with respect to capital structure and creating operating relationships. Also, we believe that there must be a mandated set of preferences and economic incentives available for designated entities in the PCS auction process.

The designated entity preferences that we consider essential for fulfilling the Commission's objective of promoting economic opportunity for designated entities are addressed by topic below.

Designated Entities: We believe the full set of financial preferences in the auction process for PCS should be limited to minority and women-owned operations. The proposed inclusion of "small business" entities allows many entrants with whom women and minority-owned business would be competitively disadvantaged.

Specific Services: We believe it is in the best interest of designated entities to have competitive bidding for four (4) 30 MHz licenses, with three (3) 30 MHz licenses and one (1) 30 MHz licenses set aside for designated entities in each PCS region.

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Auction Procedure-Bidding Sequence: The three (3) 30 MHz licenses for each region should be bid first, followed by bidding for the one (1) 30 MHz license set aside for designated entities in that region.

Auction Procedure-Bidding Credits: Designated entity discounts of 35% to 40% should be made available by the Commission. For example, the bidding credit for designated entities would require a high bidder of \$150,000 to pay \$97,500 (35%) or \$90,000 (40%). The designated entity should be allowed to use bidding credits on any of the frequency allocations.

Auction Procedure-Upfront Payment: Eligible designated entity bidders should be able to provide the Commission an investment banker's letter of intent in lieu of the upfront payment deposit which is calculated on cents per pop per MHz. The investment banker's letter obviously will have to include a maximum amount available to the designated entity bidder.

Auction Procedure - Winner's Deposit: Winning designated entities must make payment of 10% of the winning bid within five (5) business days of the auction.

License Payment: Winning designated entities should receive installment payment terms for 90% of the amount due, with no payment due for two years, interest only for the next eight years, and payment of all amounts due at the end of the tenth year.

Tax Certificates: Tax certificates should be issued to investors in designated entities. This provision will assist designated entities in attracting investment capital.

Based on our recent experience in conferring with various financial sources in the investment community, the preferences that we have outlined would create sufficient economic incentive for capital market participants to invest in minority and women-owned designated entities. Without this menu of preferences, our ability to attract the investment capital needed to effectively pursue PCS licenses may be severely impaired and our involvement in the provision of broadband PCS services may be precluded.

We urge you to consider our comments and are available to discuss this matter with you further should the need arise.

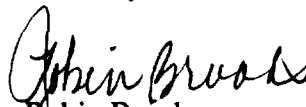
Thank you for your thoughtful consideration.

Sincerely,



Lynn Forester
FirstMark Personal
Communications Systems, Inc.

Sincerely,



Robin Brooks
FirstMark Personal
Communications Systems, Inc.